

# BOARD OF PUBLIC WORKS

210 East Frederick Street, Post Office Box 64  
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"THE PEACHOID"

VIA Certified U.S. Mail & Electronic Mail

January 9, 2023

Tony Tate  
Litchain Corporation  
118 ½ Willis Plaza  
Gaffney, SC 29341

## Power Service & Lease Agreement

Dear Mr. Tate,

As of the date of this letter, January 9, 2023, electric power service for Litchain Corporation's account for service to the facility at 150 Hyatt Street has been suspended for nonpayment. In addition, per Cory Cox's December 28, 2022 email to you with the subject of "Additional Deposit," the revised full deposit amount of \$435,882 is also past due. In order for the Gaffney Board of Public Works ("BPW") to restore service, Litchain will need to pay all outstanding account balances, including accrued penalties, the additional deposit amount and outstanding ground lease payments.

BPW is also notifying Litchain of two separate defaults under the BPW/Litchain ground lease agreement dated September 23, 2021. First, Section 9, paragraph 2 of the lease provides that Litchain intends to run a cryptocurrency mining or similar operation at the leased facility. Termination of electric service represents a failure of such operations and is considered by BPW as a default under the lease. Second, Section 13 of the lease provides that all subleases of the demised premises (as defined in the lease) shall be approved by BPW as landlord. It has recently come to BPW's attention that Litchain has assigned its rights in the facility to ISW Holdings, Inc under the terms of a sublease agreement dated October 18, 2021. BPW did not approve of or consent to this sublease.

In order to cure both defaults under the lease, Litchain must (i) restore electric service to the facility under the conditions described above, and (ii) provide information to BPW as to the

status of ISW Holding Inc. as a qualified subtenant, including certificates of good standing from the Secretary of State in its state of incorporation, and evidence of its financial viability and its status as a cryptocurrency mining or similar operation in compliance with Section 9, paragraph 2 of the lease. If either of these defaults is not cured to BPW's satisfaction within 60 days of this letter, the lease will be terminated and BPW will immediately re-enter and repossess the facility.

Sincerely,



Donnie Hardin  
General Manager